

# **Transient Room Tax and Tourism, Recreation, Cultural, and Convention Facilities Tax**

Item 1: Overview

Item 2: Revenues by County (Utah State Tax  
Commission 2006 Annual Report)

# Overview

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# OVERVIEW: Transient Room Tax (TRT) and Tourism, Recreation, Cultural, and Convention Facilities Tax (TRCC)

*The following is a general overview and not a comprehensive analysis of all information related to the Privatization Policy Board or legislation related to privatization or government competition. For more detailed information, contact the Office of Legislative Research and General Counsel.*

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**TRT:\*** Permits a county to impose a rate of up to 4.25% on the following accommodations and services rented for less than 30 consecutive days:

- Tourist home
- Hotel
- Motel
- Trailer court

## Authorized uses:

Establishing and promoting recreation, tourism, film production, and conventions

Acquiring, leasing, constructing, furnishing, maintaining, or operating:

- Convention meeting rooms†
- Exhibit halls†
- Visitor information centers†
- Museums†
- Sports and recreation facilities†
- Related facilities†

Acquiring land, leasing land, or making payments for construction or infrastructure improvements required for or related to the purposes listed above†

Mitigating the impacts of recreation, tourism, or conventions (applies to a county of the fourth, fifth, or sixth class)†

## Other:

Until 2027, a county of the first class must deposit first 15% of annual revenues into the TRT Fund (for authorized uses or up to \$20 million to mitigate traffic/parking impacts or both).

A county may create a reserve fund for funds not expended during the fiscal year.

Revenue from the TRT can be pledged as security for indebtedness to finance an authorized use.

**TRCC:** Permits a county (which meets specified criteria) to impose the following:

**Motor Vehicle Leasing Tax-** Tax of up to 3% on the short-term lease of motor vehicles not exceeding 30 days and where the lease or rental is not part of an insurance agreement. A county that imposes the 3% motor vehicle leasing tax may impose an additional 4% tax on these vehicles.

**Restaurant Tax-** Tax of up to 1% on sales by a restaurant of prepared food or food and food ingredients.

**Room Rental Tax-** Tax of up to .5% on the same charges listed under the TRT (only a county of the first class may impose).

## Authorized uses:‡

Financing tourism promotion

Developing, operating, and maintaining tourist, recreation, cultural, and convention facilities

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\* This overview addresses the County Transient Room Tax. There is also a Municipality Transient Room Tax levied by about 30 municipalities. In 2006, the Utah State Tax Commission Annual Report shows that just over \$1 million was collected in Municipality Transient Room Tax.

† A county may not expend more than 1/3 of the revenues generated on any combination of the noted uses or annual payment of principal, interest, premiums, and necessary reserves for any or the aggregate of bonds issued for the noted uses. This restriction does not apply to revenues generated by the portion of the rate that exceeds 3%.

‡ A county of the first class is required to expend at least \$450,000 each year of the revenues generated from the room rental portion of the Tourism, Recreation, Cultural, and Convention Facilities Tax to promote tourism in ski areas and combine the sale of ski lift tickets and lodging.

### Other:

Revenue from the TRCC can be pledged as security for indebtedness to finance an authorized use. Tax Commission distributes TRCC revenues by point-of-sale with the exception of the 4% motor vehicle leasing tax which is distributed as follows:

- 70% by point of sale
- 30% by population

### **Provisions that Apply to TRT and TRCC:**

#### Independent audit:

Verification that funds are used only as authorized

Annual basis

Itemized break down of expenditures

Copy of independent audit must be submitted to:

- Governor's Office of Economic Development
- County's tourism tax advisory board
- Office of the Legislative Fiscal Analyst

#### Tourism Tax Advisory Board:

Required if TRT or TRCC is levied in county

Five board members or more

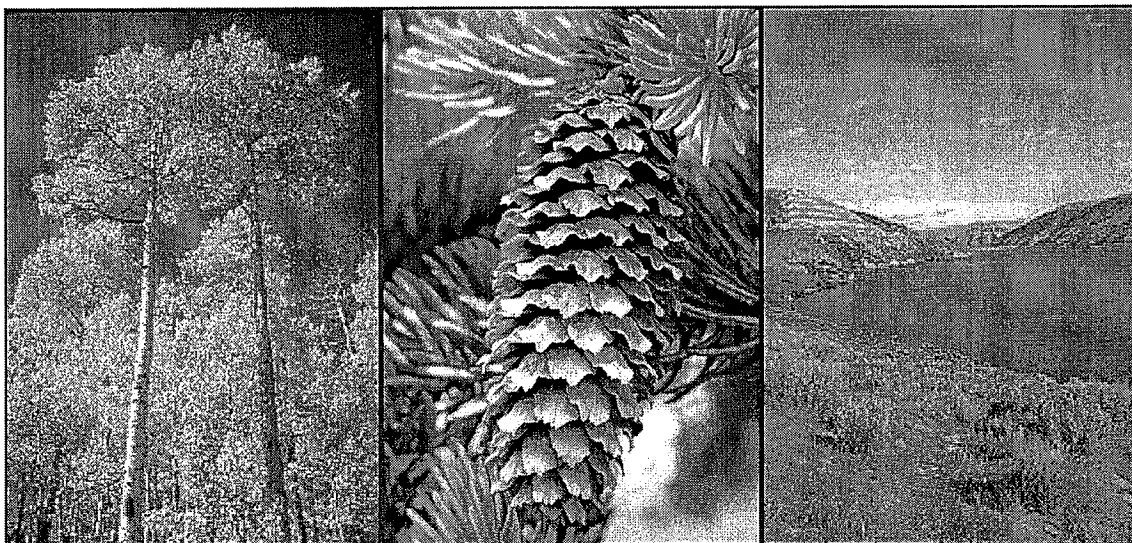
- Majority of members must represent entities in the county that are subject to the TRT or TRCC
- Other members should represent employees of recreational facilities, convention facilities, museums, and cultural attractions

Advises the county legislative body on the best use of TRT and TRCC revenues by providing a priority list for proposed expenditures

**Revenues by  
County  
(Utah State Tax  
Commission 2006  
Annual Report)**

# UTAH STATE TAX COMMISSION

*Annual Report*  
**2006**  
*Fiscal Year*



# Tourism, Recreation, Cultural And Convention Tax

The Tourism, Recreation, Cultural, and Convention Facilities Tax permits counties to impose any or all of the following options:

**Restaurant** - A tax of up to 1 percent on all sales of prepared foods and beverages sold by a restaurant for immediate consumption.

**Leasing** - A tax of up to 3 percent of all short-term leases and rentals of motor vehicles not exceeding 30 days. There is an exception when the rental vehicle is replacing a motor vehicle that is being repaired pursuant to a repair or insurance agreement. Counties that have imposed the motor vehicle short-term lease and rental tax may impose an additional 4 percent tax on these vehicles.

**Room Rental** - A tax of up to 0.50 of 1

## Tourism, Recreation, Cultural And Convention Tax Collected

(Net FY91 to FY06)

2006	\$45,401,207	1998	\$22,323,767
2005	\$36,255,996	1997	\$21,805,637
2004	\$34,037,735	1996	\$18,726,270
2003	\$33,774,470	1995	\$16,677,406
2002	\$33,037,909	1994	\$15,037,582
2001	\$32,287,809	1993	\$13,480,252
2000	\$30,926,333	1992	\$7,766,386
1999	\$26,693,041	1991	\$1,297,131

percent (one-half of one percent) of the rent for every occupancy of a suite, room or rooms in motels, hotels, inns or similar public accommodations. Only Salt Lake County imposes this tax.

Utah Code Ann. §59-12-603

**FY2006 Revenues - \$45,401,207**

## Restaurant Tax

County	FY 2004	FY 2005	FY 2005	FY 2006
	Jul 03 - Jun 04	Jul 04 - Jun 05	% Change	
Beaver County	58,168	64,319	10.6%	29.2%
Box Elder County	299,876	308,270	2.8%	5.0%
Cache County	677,729	786,764	16.1%	1.0%
Carbon County	168,271	165,811	-1.5%	13.0%
Daggett County	15,115	11,432	-24.4%	34.6%
Davis County	1,948,293	2,084,634	7.0%	10.7%
Duchesne County	74,201	79,861	7.6%	17.0%
Garfield County	116,056	129,758	11.8%	18.5%
Grand County	221,604	220,235	-0.6%	25.8%
Iron County	334,117	392,426	17.5%	9.0%
Juab County	75,965	79,486	4.6%	4.9%
Kane County	86,343	84,780	-1.8%	18.7%
Morgan County	24,468	25,606	4.7%	21.2%
Rich County	31,558	0	-100.0%	N.A.
Salt Lake County	11,804,791	12,514,137	6.0%	9.9%
Sanpete County	74,950	85,401	13.9%	-8.0%
Sevier County	137,114	150,327	9.6%	12.1%
Summit County	1,099,972	1,243,204	13.0%	16.2%
Tooele County	284,750	301,066	5.7%	9.4%
Uintah County	200,861	216,282	7.7%	17.1%
Utah County	3,031,541	3,278,770	8.2%	-3.2%
Wasatch County	199,581	207,351	3.9%	1.4%
Washington County	1,132,036	1,334,011	17.8%	18.1%
Wayne County	38,067	33,102	-13.0%	0.6%
Weber County	1,798,714	1,825,916	1.5%	8.2%
<b>Total Restaurant</b>	<b>23,934,143</b>	<b>25,622,947</b>	<b>7.1%</b>	<b>8.8%</b>

The amounts collected as shown in the shaded at the top of this page are accrued revenues for the 'Tourism, Cultural, Recreation, and Convention Tax. The revenues shown by 'County' reflect the actual amounts distributed during the fiscal year. The amounts differ due to timing differences. The "Tourism, Cultural, Recreation, and Convention" tax includes the total collected amounts from the Restaurant, Leasing and Room Rental taxes.

# Leasing Tax

<u>County</u>	<u>FY 2004</u> <u>Jul 03 - Jun 04</u>	<u>FY 2005</u> <u>Jul 04 - Jun 05</u>	<u>FY 2005</u> <u>% Change</u>	<u>FY 2006</u> <u>Jul 05 - Jun 06</u>	<u>FY 2006</u> <u>% Change</u>
Davis County	321,656	279,548	-13.1%	348,352	24.6%
Duchesne County	1,629	548	-66.4%	0	-100.0%
Grand County	14,419	19,234	33.4%	24,051	25.0%
Morgan County	6,998	6,030	-13.8%	7,465	23.8%
Salt Lake County	7,516,024	7,640,004	1.6%	9,564,224	25.2%
Sevier County	20,191	19,654	-2.7%	19,661	0.0%
Uintah County	2,387	2,182	-8.6%	2,864	31.2%
Utah County	22,921	501,901	2089.7%	615,450	22.6%
Washington County	214,339	220,833	3.0%	286,856	29.9%
Weber County	252,797	228,299	-9.7%	274,095	20.1%
<b>Total Leasing</b>	<b>8,373,362</b>	<b>8,918,232</b>	<b>6.5%</b>	<b>11,143,018</b>	<b>24.9%</b>

# Room Rental Tax

<b>Salt Lake County</b>	<b>1,248,887</b>	<b>1,302,456</b>	<b>4.3%</b>	<b>1,513,006</b>	<b>16.2%</b>
<b>Total Tourism Transient</b>	<b>1,248,887</b>	<b>1,302,456</b>	<b>4.3%</b>	<b>1,513,006</b>	<b>16.2%</b>